

Medicare Savings Programs

What are the Medicare Savings programs (MSP's)?

There are three different programs: Qualified Medicare Beneficiary (QMB), Specified Low Income Medicare Beneficiary (SLMB) and Qualified Individual (QI). They are called "buy-in programs" because they pay the Part B premium for people with limited incomes who otherwise might not be able to afford Medicare. QMB will also pay for Part A premiums for those who aren't eligible for free Part A. They are part of Federal Medicaid, administered by the State of California Medi-Cal agency.

How does one apply?



People with full aged and disabled Medi-Cal with no Share of Cost are usually automatically enrolled, if eligible. One can apply for one of these MSP programs without applying for Medi-Cal. The application is still processed by the Contra Costa Medi-Cal personnel. See HICAP's handout "Medi-Cal Facts for Seniors" for more information on the application process.

What are the criteria for qualifying?

Individuals must be eligible for, although not necessarily enrolled in, both Medicare A and B. It's possible to apply for Medicare via Social Security while also applying for the MSP programs with the County Medi-Cal offices.

Asset limits for the MSPs are the same as Medi-Cal. Asset limits in 2023 for all MSP programs are \$130,000 for single applicants and \$195,000 for married. If monthly withdrawals of principal and interest are being taken, tax qualified accounts (IRAs, 401Ks, etc.) are not counted as assets, although the withdrawals count as income.

Here are the 2023 income limits for the 3 programs. Income is gross income, before the Part B premium is deducted from the Social Security benefit. After a \$65 disregard, only half of work income is included in countable income.

- Q-I income Limit \$1,660 (S) \$2,485 (M)
- SLMB Income Limit \$1,478 (S) \$1,992 (M)
- QMB Income limit \$1,235 (S) \$1,663 (M)

Unlike for Medi-Cal, people can't qualify for these programs by "spending down" their countable income by buying other health insurance such as dental and vision.

What are the other benefits besides Part B Premium?

All programs automatically provide full Federal level of "Extra Help" for drug costs for the year. There is no premium for an assigned Medicare Part D Prescription Drug Plan. Covered prescription drugs cost only \$4.¹⁵ for generic and brand \$10.³⁵. Participants can change Prescription Drug or Medicare Advantage plans once a quarter through September 30th each year.

Qualified Medicare Beneficiary - QMB



This is the only program that pays the Medicare Part A premium. It also pays the Part B premium.

It is against the law for providers to bill QMB recipients for Medicare deductibles, coinsurance and co-pays, although not all providers may be aware of this.

This program allows immigrants and others with very low incomes who don't qualify for free Part A to have it paid by the State of California on their behalf. Someone can conditionally apply for Part A contingent upon being approved for QMB. Those with Medi-Cal should still get QMB if they don't get free Part A, because only QMB pays the Part A premium. See HICAP's handout "Conditional Part A Handout for Clients" for more information on the application process.

SLMB and QI

These programs pay only the Part B premium. Co-insurance and deductibles are not covered.

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